

Message Text

UNCLASSIFIED

PAGE 01 WELLIN 00508 262206Z

10

ACTION EA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-05

SP-02 SS-15 STR-04 TRSE-00 FRB-01 PA-02 PRS-01 USIA-15

/106 W

----- 065566

R 260545Z FEB 75

FM AMEMBASSY WELLINGTON

TO SECSTATE WASHDC 9257

INFO AMEMBASSY CANBERRA

UNCLAS WELLINGTON 0508

EO 11652: NA

TAGS: ECON NZ

SUBJECT: GASOLINE PRICES RISE, IMPORTS DECLINE

1. ON FEBRUARY 25 GNZ FINALLY ANNOUNCED THE LONG AWAITED PRICE INCREASE FOR GASOLINE AND CERTAIN OTHER FUELS. EFFECTIVE MIDNIGHT THE PRICE OF PREMIUM GASOLINE ROSE 9.6 CENTS FOR ONE IMPERIAL GALLON, A 13 PERCENT INCREASE. REGULAR GASOLINE ROSE 8.6 CENTS. THE NEW PRICES FOR AN IMPERIAL GALLON ARE 78.6 CENTS NZ (AT CURRENT EXCHANGE RATE OF US \$1.36 TO NZ\$1.00, ABOUT US\$1.06 PER US GALLON) FOR PREMIUM AND 75.6 FOR REGULAR (ABOUT US\$1.03 PER US GALLON). DIESEL FUEL ROSE 3.4 CENTS NZ PER GALLON RETAIL. THE PRICES FOR LIGHT AND HEAVY FUEL OILS ALSO ROSE 7.2 CENTS NZ AND 5.9 CENTS NZ RESPECTIVELY. THIS IS THE FOURTH PRICE INCREASE TOTALLING ABOUT 41 CENTS US FOR GASOLINE SINCE JANUARY 1974.

2. INTERNATIONAL OIL DISTRIBUTING FIRMS OPERATING IN NEW ZEALAND HAVE BEEN URGING THIS LAST PRICE INCREASE FOR A NUMBER OF MONTHS. THE GOVERNMENT HAS HELD OFF ACTING UNTIL THE END OF THE SUMMER VACATION PERIOD. THE PRICE INCREASES DO NOT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 WELLIN 00508 262206Z

INVOLVE ANY TAX INCREASES. MOST OF THE INCREASE WILL GO

TO THE OIL COMPANIES EQUILIZATION FUND. RETAILERS WILL GET A SMALL SHARE OF THE INCREASE.

3. THE GNZ MAY ALSO PROPOSE AN INCREASE IN THE GASOLINE TAX DURING THE NEXT SESSION OF PARLIAMENT AS A MEANS OF DISCOURAGING FUEL CONSUMPTION.

4. ON THE SAME DAY GASOLINE PRICE INCREASES WERE ANNOUNCED, THE RESERVE BANK RELEASED FIGURES ON FOREIGN EXCHANGE TRANSACTIONS FOR JANUARY. THE CURRENT ACCOUNT DEFICIT FOR JANUARY WAS \$,178.7 MILLION, THE LOWEST SINCE JUNE 1974. IMPORTS FOR THE MONTH DECLINED TO \$NZ189.6 MILLION, THE FIRST TIME BELOW \$,200 MILLION SINCE JULY 1974. EXPORT EARNINGS TOTALLED ONLY \$126.2 MILLION FOR THE MONTH. THERE WAS A CAPITAL INFLOW OF \$NZ 91 MILLION DURING THE MONTH. \$NZ22 MILLION WAS DRAWN FROM THE IMF OIL FACILITY. A \$NZ62 MILLION LOAN NEGOTIATED BY GNZ FROM WEST GERMANY MADE UP THE BULK OF THE CAPITAL INFLOW.

5. THERE IS HOPE AND SPECULATION THAT THE DOWN TURN IN IMPORT PAYMENTS WILL CONTINUE AND INCREASE. WITHOUT A SUDDEN (UNANTICIPATED) RISE IN EXPORT PRICES FOR MEAT AND WOOL, THIS IS NZ'S ONLY HOPE FOR REDUCING ITS NEGATIVE BALANCE OF PAYMENTS IN THE SHORT RUN.
SELDEN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GASOLINE, PETROLEUM, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 26 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975WELLIN00508
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750068-0994
From: WELLINGTON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975029/aaaaahsh.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAY 2003 by SilvaL0>; APPROVED <21 JAN 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GASOLINE PRICES RISE, IMPORTS DECLINE
TAGS: ECON, NZ
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006